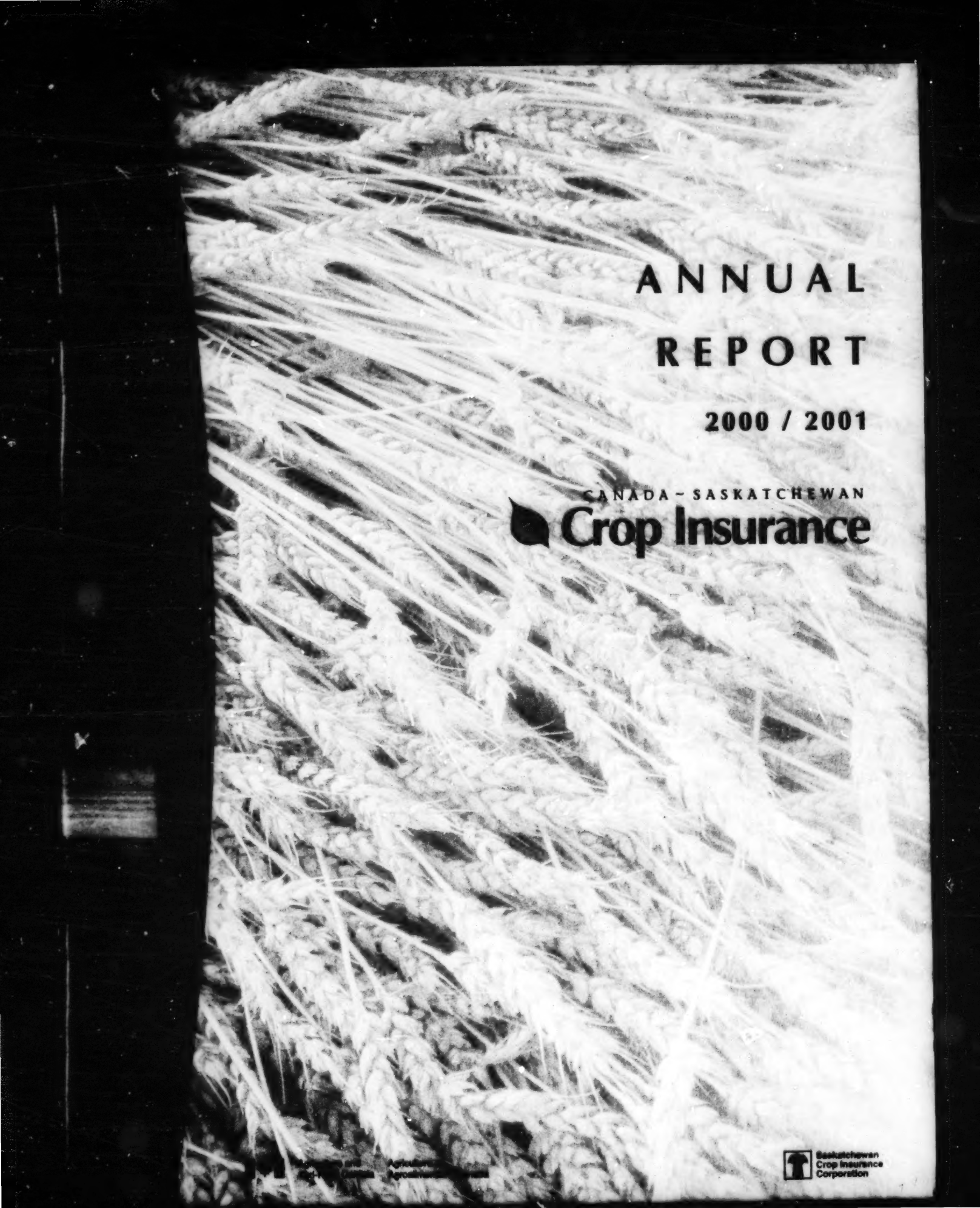




ANNUAL REPORT

2000 / 2001

CANADA - SASKATCHEWAN
 **Crop Insurance**



Saskatchewan
Crop Insurance
Corporation

Executive Summary

2000 At A Glance

Winter 1999/2000

- A mild winter with above normal temperatures
- Snowfall below normal

Spring 2000

- Spring runoff was below normal in most regions of the province
- Showers and snow flurries in April helped rejuvenate topsoil moisture conditions
- Cool soil temperatures and strong winds restricted seeding activity in April
- By the end of May, Saskatchewan farmers had 95 per cent of the crop planted

Summer 2000

- Despite cool temperatures in June, crop development was slightly ahead of the five year average
- Hot and dry conditions in July encouraged excellent drying conditions; crop development continued to progress ahead of average
- Reports indicated 95 per cent of the crop was fair to excellent
- Crop damage from flooding, hail and wind were reported as well as damage from frost, disease and insects in parts of the province
- By the end of August, five per cent of harvest was complete

Fall 2000

- Rain showers combined with damp, cool weather hindered harvest in most areas
- Farmers concerned with quality loss
- Weather related crop damage was prevalent throughout the province; wet and humid weather caused bleaching, staining, sprouting and loss of sample weight
- Damage by insects, wild game and waterfowl were reported
- In the face of poor weather conditions, 74 per cent of the crop was harvested by the end of September
- Saskatchewan farmers expected to harvest 27.1 million tonnes, nine per cent above the 10 year average of 24.8 million tonnes

Participation Statistics

Crop Year	2000	1999
Total Premium (millions)	\$186.0	\$181.4
Total Indemnities (millions)	\$133.0	\$94.8
Loss Ratio	0.72	0.52

CROP YEAR SUMMARY FOR GRAINS

Insured Acres (millions)	2000	1999
Grains	24.1	20.4
Hail	19.1	15.8

Contracts

Grains	34,120	33,216
--------	--------	--------

TOTAL LIABILITY (billions)	\$1.6	\$1.6
-----------------------------------	--------------	--------------

Coverage Levels

*based on insured acres per crop		
50%	13%	18%
60%	7%	9%
70%	66%	59%
80%	14%	14%
Weighted Average	67%	67%

Grains - Yield Loss, Establishment Benefit, Unseeded Acres Claims

Claims	12,064	14,871
Premiums (millions)	\$140.1	\$136.4
Indemnities (millions)		
Yield Loss	\$70.6	\$40.8
Establishment Benefit	\$4.3	\$3.7
Unseeded Acres	\$0.8	\$20.6
TOTAL	\$75.7	\$65.1

Hail

Claims (paid claims)	15,042	8,039
Premiums (millions)	\$43.6	\$42.2
Indemnities (millions)	\$56.4	\$28.8

Supplementary Unseeded Acres Benefit

\$ -	\$33.5
------	--------

Claims Summary

Crop Year	2000	1999
Post-Harvest	10,004	6,389
Total Yield Loss	469	288
Establishment Benefit (Re seeding)	1,457	2,121
Unseeded Acres	134	6,073
	12,064	14,871

Note: This summary is for paid claims only and does not include hail claims. Information is for multi-peril yield loss crop insurance only.

* This does not include Livestock Feed Insurance Program claims.

Table of Contents

Letters of Transmittal	2
A Year in Review	4
Corporate Governance	6
Agriculture in the 21st Century	7
Corporate Direction and Accomplishments	10
2000 Crop Insurance Program	13
Building Partnerships	19
Saskatchewan Management Plus (SMP)	19
Canada-Saskatchewan Adjustment Program (C-SAP)	19
Statistics	20
Financial Statements	26
Saskatchewan Crop Insurance Customer Service Offices	40



To Her Honour
The Honourable Dr. Lynda Havenstock
Lieutenant Governor of Saskatchewan

Madam:

I have the honour to submit herewith the annual report of Saskatchewan Crop Insurance Corporation for the year ended March 31, 2001, including financial statements audited by KPMG LLP in the form approved by Treasury Board, in accordance with the Saskatchewan Crop Insurance Act.

I have the honour to be, Madam, your obedient servant,

Clay Serby

Clay Serby
Deputy Premier and
Minister of Agriculture and Food



To The Honourable Clay Serby
Deputy Premier and
Minister of Agriculture and Food

Sir:

I present to you the annual report of Saskatchewan Crop Insurance Corporation for the year ended March 31, 2001. The members of the Board of Directors and staff of the corporation are committed to excellent customer service and a consultative approach to the evolution of the crop insurance program, as part of the agricultural safety net programs serving Saskatchewan farmers.

Respectfully Submitted,

Ernie Spencer
Chair of the Board
Saskatchewan Crop Insurance Corporation

Throughout its 40-year history, understanding the needs of farmers has been the driving force for Saskatchewan Crop Insurance Corporation (SCIC). By listening to our customers, producer groups and industry specialists, and by developing partnerships with agricultural professionals and research organizations, we have been able to offer a responsive and flexible risk management tool for farm businesses.

Change, diversity and challenge have defined the chapters in the 20th century. We have experienced changes in the agricultural economy and farming practices. Throughout the course of the 20th century, the family farm has grown and diversified into a farm business operation that continues to add significant value to the world economy. SCIC respects the role of agriculture in the marketplace and is committed to providing programs to help minimize the impact of severe losses due to weather related perils. Although SCIC cannot control environmental changes, it can protect farmers from its devastating effects.

As we entered into the 21st century, farmers were faced with high input costs and low commodity prices. These challenges, coupled with poor climatic conditions, had a traumatic impact on the agricultural economy.

Crop insurance can also be negatively impacted by low world commodity prices. The value of a producer's insurance is essentially calculated as yield times price times the coverage level selected by the farmer. Low commodity prices reduce the coverage per acre offered under the insurance plan. This maintains crop insurance as market neutral, as commodities aren't insured for more than they are worth, and trade neutral, which is important to reduce the potential of foreign trade action since approximately 80 per cent of Saskatchewan products are exported.

In response to these challenges, the provincial and federal governments moved to make crop insurance even more affordable and introduced a new variable

price option to enable producers to capture the benefit of subsequent market adjustments. Governments agreed to cost share an additional 10 per cent of the total premium. Therefore, in 2000, producers paid only 29 per cent of the total premiums, versus 39 per cent in 1999. In addition, the due date for premiums to be paid without interest charges was moved from August 31 to October 31.

Under the new variable price option producers were guaranteed a floor price for their commodities equal to the forecasted market price offered in the spring, or fixed price, however commodity prices could be increased by a maximum of 25 per cent based on new forecasts at the end of June. Over a quarter of insured crops used this option in 2000.

A number of other changes were introduced in 2000 to increase the flexibility of the program and improve the protection offered to farmers, including:

- The deadline to sign up or makes changes to existing contracts was changed from March 15 to March 31.
- Establishment benefit payments increased for a number of crops. Establishment insurance is for crops that fail to adequately establish or suffer significant damage due to insurable causes prior to June 20, 2000.
- The hail option was expanded to include spot-loss fire. The deadline for hail and fire coverage was extended from September 30 to October 15.
- The unseeded acreage payment increased from \$25 an acre to \$50 an acre. The unseeded acreage feature provides insurance in the event excessive spring moisture prohibits normal seeding activity.
- Winterkill benefits were increased for fall rye and winter wheat.
- Quality loss coverage was added to the insurance available for chickpea producers.
- The area in which insurance is available for sunflower producers was expanded.

- A new yield establishment method was introduced for existing customers who are diversifying into previously uninsured crops. This allows for the recognition of experience on other insured crops to be considered when establishing the initial coverage on some crops not previously grown and insured.

Additional measures announced in the spring impacted crop insurance including the introduction of the Canada-Saskatchewan Adjustment Program (CSAP), which provided Saskatchewan producers with an additional \$260 million in emergency assistance and was administered by SCIC. A Spring Cash Advance Program was also announced to provide up to \$20,000 in interest-free loans to producers to help get the crop planted. This program required crop insurance as security for the loan.

Participation in crop insurance reacted quite favorably to all these changes, as the total insured acreage under the program rose by almost four million to over 24 million acres, covering 69 per cent of all annual cropland seeded in the year. Producers paid an average of 29 per cent of total premium costs, versus 39 per cent in 1999 and 50 per cent as recently as 1996.

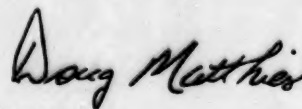
Conditions in the spring of 2000 included wet soil and cool temperatures which hindered seeding and crop growth. Although favorable conditions throughout the summer enhanced crop development, significant hail damage was reported and rain showers with cool, damp weather delayed harvest in most areas of the province. Despite these conditions, producers harvested an above average crop.

Financially, total premiums were approximately \$186 million, total claims were approximately \$133 million, interest on reserves was \$14 million and in

the end approximately \$70 million was added to the total reserves of the program. In the past decade the program has only had one loss year, which has enabled it to climb out from a \$640 million deficit to a surplus position of approximately \$385 million.

To this point, governments have made the decision to self-insure the program, or cover losses through loans to the program if claims exceed premiums and reserves. Currently the corporation is involved in a pilot program which is re-insuring losses on a limited group of commodities with other international insurers. As a result of the improved financial position of the program, premium rates have generally been reduced in each of the past seven years.

Over the span of 40 years, SCIC has proved to be an invaluable asset to Saskatchewan producers. There is no doubt we will face new challenges in the 21st century but we will continue to work together to provide a stable risk management tool for the future generation of farmers. We look forward to the future with confidence in building a risk management insurance package that meets the customers' needs, improves farm business operations and provides efficient customer service.



Doug Matthies
General Manager

The Saskatchewan Crop Insurance Corporation (SCIC) is a provincial Crown Corporation established under the Crown Corporation Act and continued under the *Crop Insurance Act*. SCIC is part of the Minister of Agriculture and Food's portfolio. This allows the Minister to coordinate crop insurance with the agricultural policies of the government. To further strengthen this connection, operationally the general manager of SCIC reports to an Associate Deputy Minister of Saskatchewan Agriculture and Food.

Governing Legislation

The Canada-Saskatchewan Crop Insurance Program is governed by the following regulations and agreements:

- *Farm Income Protection Act (federal)*
- *Crop Insurance Act (provincial)*
- *Crop Insurance Regulations (federal and provincial)*
- *Canada-Saskatchewan Crop Insurance Agreement*
- *Canada-Saskatchewan Crop Insurance Operations Document*

The corporation also administers grant payments under the Waterfowl Crop Damage Compensation Program and the Big Game Crop Damage Compensation Program. Both programs are governed under the *Farm Financial Stability Act* and associated regulations.

Crop Insurance Board

The Crop Insurance Board of Directors is responsible for the overall direction, development and delivery of the crop insurance program. Decisions involving major financial or policy implications are developed through consultations with producers and industry, and must be approved by the federal and provincial governments. At March 31, 2001 the Board Members were Ernie Spencer (*Chair and Associate Deputy Minister of Agriculture*), Hal Cushon (*Vice Chair, Director of Policy and Program Development, Saskatchewan Agriculture*), Wilson Olive, Norm Ballagh, and Arlee McGrath. During the year, Ferne Nielsen resigned her position with the Board due to

other commitments. All members are either involved in farm operations or have an agricultural background.

Appeal Panel

The Provincial Appeal Panel is an advisory committee of producers appointed by the Board to consider and make recommendations on individual producer's concerns with their insurance. It is a voluntary process whereby informal hearings are held on a regular basis with both customers and staff presenting information to the panel. A recommendation is made by the panel and presented to the Board of Directors.

The provincial appeal panel was established to provide a fair and efficient resolution to customer's issues. The panel members understand agriculture and the rural community since they all actively farm. For the period ending March 31, 2001, the members were Harry Bastness, *Chairperson (Hagan)*, Jim Bulych, *Vice-Chairperson (Foam Lake)*, Janice Stirling (*Mortlach*), Gordon Taylor (*Davidson*), Glen Lovndes (*Kelvington*) and Brian Kramer (*Southey*).

SCIC Executive Management (as of March 31, 2001)

- Doug Matthies, General Manager
- Bill Cudmore, Executive Manager, *Human Resources*
- George Nussbaumer, Executive Manager, *Audits*
- Cam Swan, Executive Manager, *Field Operations*
- Stan Benjamin, Executive Manager, *Planning & Development*
- Lorne Warnes, Executive Manager, *Finance & Administration*
- Terry Dingle, Executive Manager, *Information Technology*

Saskatchewan Crop Insurance has 21 customer service offices throughout the province under the direction of four regional managers representing the southeast, southwest, northeast and northwest regions of the province.

Then and Now

Crop insurance has been part of Saskatchewan since 1961. Prior to then, crop insurance was offered on an area base through the *Prairie Farm Assistance Act*. Premiums were based on a percentage of sales with the same coverage levels throughout the province. Consequently, townships with low average yields paid lower premiums but received indemnities more often than townships with higher yields.

On September 1, 1960 the *Saskatchewan Crop Insurance Act* was proclaimed, complimentary to the *Canada Crop Insurance Act*. The program required a minimum participation of 25 per cent of eligible farmers in any given area. Coverage was restricted to areas where premiums would not exceed 15 per cent of the coverage. There were 113 total and partial townships that carried crop insurance.

In the following year, the federal and provincial governments granted permission to operate a pilot program in 25 areas of the province, primarily in the east and northeast. There were 194 producer applications accepted from a total of 439 provincial applications. There were approximately 31,700 acres insured under the program. Wheat, oats and barley were insurable with coverage of 60 per cent of the long-term average yield. The price option was \$1 per bushel for spring wheat.

SCIC has experienced significant change and diversity in the program since 1961. In 2000, producers seeded approximately 35 million acres and insured in excess of 24 million acres or 69 per cent of seeded acres. The 2000 Crop Insurance Program provided multi-peril insurance on 23 traditional crops, four non-traditional crops and forage.

Historical Cost Sharing Arrangements

YEAR	Total Premium			Base Premium			Buy-up Premium			Admin Costs	
	Prod %	Fed %	Prov %	Prod %	Fed %	Prov %	Prod %	Fed %	Prov %	Fed %	Prov %
1961	80%	20%	-							50%	50%
1962	80%	20%	-							50%	50%
1963	80%	20%	-							50%	50%
1964	80%	20%	-							50%	50%
1965	80%	20%	-							50%	50%
1966	80%	20%	-							50%	50%
1967	75%	25%	-							50%	50%
1968	75%	25%	-							50%	50%
1969	75%	25%	-							50%	50%
1970	75%	25%	-							50%	50%
1971	75%	25%	-							50%	50%
1972	75%	25%	-							50%	50%
1973	50%	50%	-							0%	100%
1974	50%	50%	-							0%	100%
1975	50%	50%	-							0%	100%
1976	50%	50%	-							0%	100%
1977	50%	50%	-							0%	100%
1978	50%	50%	-							0%	100%
1979	50%	50%	-							0%	100%
1980	50%	50%	-							0%	100%
1981	50%	50%	-							0%	100%
1982	50%	50%	-							0%	100%
1983	50%	50%	-							0%	100%
1984	50%	50%	-							0%	100%
1985	50%	50%	-							0%	100%
1986	50%	50%	-							0%	100%
1987	50%	50%	-							0%	100%
1988	50%	50%	-							0%	100%
1989	50%	50%	-							0%	100%
1990	50%	25%	25%							50%	50%
1991	50%	25%	25%							50%	50%
1992	50%	25%	25%							50%	50%
1993	50%	25%	25%							50%	50%
1994	50%	25%	25%							50%	50%
1995	50%	25%	25%							50%	50%
1996	50%	25%	25%							50%	50%
1997	42.2%	28.9%	28.9%	20%	40%	40%	60%	20%	20%	50%	50%
1998	39.0%	30.5%	30.5%	20%	40%	40%	50%	25%	25%	50%	50%
1999	39.0%	30.5%	30.5%	20%	40%	40%	50%	25%	25%	50%	50%
2000	29.2%	42.5%	28.3%*	10%	54%	36%	40%	36%	24%	50%	50%

* For 2000 only the federal government paid 60 per cent of government premiums.
Crop insurance premiums are cost shared with the provincial and federal governments and producers.

Technological Changes

Technology is changing the way business transactions are performed – agriculture is no exception. The way a producer carried out business transactions for the farm 20 years ago or even 10 years ago is significantly different than the way it is done today. SCIC recognizes the changing marketplace and will continue to be proactive in providing updated technology to ensure efficient customer service.

Internet

The Internet plays a significant role in society today, as a source for information, a tool for communication, and even as an alternate means of conducting business affairs. SCIC is participating in this revolution through the development and maintenance of its own website. The corporation actively promotes its site through customer correspondence and personal contact at customer service offices and trade shows. Today, more and more farmers are using the website for information and statistics on the crop insurance program and as a means of contacting us in regards to their insurance needs.

Many forms and applications are already available online, but are only the first steps in developing an interactive website. Today, producers can access application forms, land change forms, seeded acreage reports and production declaration forms online.

In 2001, SCIC plans to provide regional information that will allow producers the ability to review statistical data for a selected area. SCIC is committed to the future development of the website to improve ways of doing business. By listening to producers, SCIC will continue to provide valuable information to assist producers in making sound management decisions for their farm.

Intranet

The SCIC intranet site went live on the internal network in September 2000. The intranet is a corporate networking system between all internal departments to facilitate communications and provide quick access to information.

Staff have access to various corporate manuals, forms, data, purposeful links, resource material and statistical information that can be viewed online at

each workstation. The intranet site eliminates paper documents and improves efficiency between departments. SCIC continues to develop the site as an interactive source of company information. The intranet will be integrated into the overall corporate strategy to improve how staff and departments work together as a team to achieve common goals.

eCommerce

Claim payments can be deposited directly into the producer's bank account. Electronic transactions are a convenient and reliable way of processing a payment. Producers receive written notification indicating the date and time the funds were deposited into their account. Producers are also able to pay their premiums or outstanding accounts through their financial institution on the Internet.

SCIC recognizes how valuable time is to farmers. Electronic banking options allow producers the freedom to conduct business in the convenience of their home after regular business hours.

Electronic Claim Data

Adjusters now have the ability to electronically record claim data while in the farmer's field. This procedure ensures efficient service in calculating claim amounts. Claim information, subject to any adjustments, can be instantly submitted to ensure timely claim payments.

Global Positioning System

The Global Positioning System (GPS) is a satellite-based navigation system made up of a network of satellites. GPS measurement provides SCIC with a fast and precise way of verifying cultivated acres and measuring areas for crop damage. Measuring fields with GPS is beneficial to both the corporation and the producer. GPS enables the adjuster to verify the acres quickly and with greater accuracy. Accurate reported acres ensure precise crop yields and subsequent claims that result in stable premiums.

In 2000, SCIC operated 21 GPS survey grade units. Nearly 500,000 acres were measured using GPS units for a total of 1.7 million mapped acres during the last four years. In 2000, SCIC purchased five handheld units as a test project in each region of the province. For 2001, plans are to purchase 100 units to replace the manual "wheeling" in all customer service offices.

As an agency within Saskatchewan Agriculture and Food (SAF), SCIC participates in the strategic planning of the department and the activities of SCIC must be consistent with the departmental plans. The mandate of the corporation as defined in that plan is as follows:

"To provide crop production insurance to farm businesses in order to manage production risk and to stabilize the farm economy."

SCIC is required to contribute to a number of the goals and objectives of the Agriculture ministry and the following is a summary of the accomplishments during 2000-01:

Goal: Financial viability for farms and value added businesses

Objective: Improve the effectiveness of risk management tools

The following results were achieved:

- To recognize the impact of current depressed world commodity prices, the federal and provincial governments agreed to pay an additional 10 per cent of the total premium costs for crop insurance. Producers paid 29 per cent of the total premiums in 2000, down from 39 per cent in 1999. This improved cost sharing was also continued to the 2001 crop year.
- To recognize continued strengthening in the financial position of the program, premium rates were reduced on average by 5.7 per cent for 2000. In addition, interest on outstanding premiums were waived until October 31 from the previous due date of August 31. As a result of the continued favorable loss experience during 2000, premium rates were further reduced by an average of 12.1 per cent going into 2001 and the interest waiver to October 31 was also continued.

- Greater flexibility was added to the program to assist producers with outstanding premiums to allow them to continue their crop insurance coverage into the following year if they made satisfactory arrangements to pay this debt, with interest, by June 30, 2000. A total of 1,451 producers took advantage of this. This flexibility was also continued for 2001 and at March 31, 2001 a total of 840 producers had utilized this.
- A new variable price option was added to allow producers the flexibility of having their insurance reflect any increases in commodity values up to the end of June. Producers who selected this option were guaranteed a minimum commodity price equal to the fixed price offered during the spring. A total of 27 per cent of all crops insured were endorsed using this option.
- A "management experience transfer" was introduced for existing customers to establish the probable yield of crops they have not previously insured. This allows for a producer's past experience to be considered in establishing their yield guarantee on new crops they insure and provides customers with a better predictor of their ability to produce a crop than strictly using area averages.
- The deadline to sign up for, make changes to, or cancel existing contracts was changed from March 15 to March 31. This allows producers more time to make their farm business decisions for the coming year.
- Benefits increased for crops that fail to adequately establish after seeding or suffer significant damage prior to June 20. This recognizes the increased costs associated with seeding the original crop and provides timely assistance if producers are considering re-seeding decisions.
- Protection under the hail option was expanded to include spot-loss fire. The deadline for hail and fire coverage was extended from September 30 to October 15.

- Unseeded acreage payment increased from \$25 an acre to \$50 an acre. The unseeded acreage feature provides insurance in the event excessive spring moisture prohibits normal seeding activity.

- Winterkill benefits were increased for fall rye and winter wheat from \$17 per acre to \$20 per acre.

- Quality loss coverage was added to the insurance available for chickpea producers. Chickpea acreage in Saskatchewan has grown from approximately 30,000 in 1997 to approximately 700,000 in 2000. Saskatchewan Crop Insurance is continuing to work in close partnership with a number of producer and government agencies to tailor insure this commodity to meet the emerging needs of this important new crop for Saskatchewan.

- The area in which insurance is available for sunflower producers was expanded for 2000. This represents a further partnering and working with producers to recognize changes in the industry and reflect that in the insurance program.

- The manner in which lentils are insured was reviewed during 2000 and changes will be introduced for 2001 to separate different classes of lentils into different insurable commodities. Separate premium rates and coverages will be available for each different class; and production from different classes will not be considered in assessing claims.

- A pilot project was initiated in 2000 to use private reinsurance to help backstop losses under the New Crops Insurance Program. The intent of this pilot is to gain experience in potential alternative arrangements to the historical position of relying on federal and provincial treasuries to secure the financial health of the crop insurance program. Reinsurance coverage of over \$21 million was placed with approximately 15 different companies for a premium of \$1.05 million. No reinsurance claim was incurred in 2000 and the pilot will continue into 2001.

- SCIC administered the Canada-Saskatchewan Adjustment Program which provided \$260 million in emergency assistance to producers in 2000. The assistance came at a time of low world commodity prices and low forecasted farm

incomes. It was intended to help producers complete the adjustment to the elimination of transportation subsidies and the pooling of Canadian Wheat Board seaway costs in 1996.

- An actuarial review of the hail program was completed, in order to fulfill requirements for continued federal support and to ensure confidence in the design of the program.

- The corporation is continuing to do research on the methodology for determining yield coverage of individual producers who have insured crops for one or more years. No changes were introduced in 2000 or are planned for 2001, however analysis is being directed towards the adequacy of the current approach in recognizing technological changes over time.

- SCIC is also involved in periodic discussions with other entities in the insurance industry to consider whether new risk management tools can be developed for agriculture, including possible linkages between the public and private sectors.

- The corporation annually conducts a number of targeted and random audits to ensure integrity in claim processing, both on the part of producers and in the quality of work of employees. Audit staff also participates in training sessions for field adjusters to pass on any significant observations or areas of emphasis. In any given year there may be approximately six referrals to the RCMP on matters related to suspected criminal fraud by insureds.

Goal: Diversification opportunities within the agri-food industry

Objective: Increase participation by producers in diversified farm and value added activities

- To recognize the potential related to additional development around the livestock industry, a pilot program was developed which will be offered in 2001 to insure forage acres modeled around a weather derivative. Insurance will be tied to annual precipitation compared to historical precipitation. As a pilot program, it will be limited to only two areas of the province until the effectiveness and acceptance of this new approach can be assessed.

- Insurance is currently available for bean crops only on an irrigated basis. The corporation is exploring the potential for insuring beans on a dry land basis, as industry experts suggest significant potential for this crop for Saskatchewan in the future. SCIC will continue to work with industry; however, for the current year the limited acreage of this crop makes designing a suitable insurance program difficult.

- The corporation is also monitoring a number of other crops for possible future insurance programs, including buckwheat, canola, corn, hemp, kamut, a number of herb and spices, and other forage crops.

Goal: Performance Excellence

Objective: Provide excellent customer service

- SCIC places a major emphasis on timely and effective service to customers during the critical business periods of the year, including sales, seeded acreage reporting, claims, and yield declarations. To facilitate delivery of excellent and consistent service the following actions are taken:
 - Training modules have been developed for all major corporate processes and different claim types. Field staff are required to participate in each claim module on an annual basis prior to being assigned current year claims. Training is also provided for new programs that impact SCIC, such as C-SAP and the Spring Cash Advance Program in 2000.
 - At the request of Superintendent of Insurance, SCIC worked with other major players in the hail industry to standardize adjusting procedures for assessing hail crop losses. This was a three-year project that concluded in 2000. The intent is to provide consumers with more consistent loss assessments regardless of insurance carrier.

- SCIC operates a toll free phone service to assist customers with their insurance needs. In 2000, a total of 100,859 calls were received on these lines.

- The corporation recognizes that good customer service also requires supporting staff and ensuring they have the right tools and infrastructure to do their work. The following actions have been taken in this regard:

- Staff are encouraged to attend career development courses; the corporation conducted training modules for stress management, negativity in the workplace, and Coaching For Results for supervisors.

- A new class plan was implemented for in-scope employees to give better recognition to the principle of equal pay for work of equal value.

- An intranet was launched to facilitate internal communication between staff, especially important given the geographic distribution of offices.

- New technology tools are also being incorporated into claim processing, as SCIC has increased its use of GPS technology to determine insured and damaged acreage, and is piloting the use of remote electronic entry of loss adjustments by field staff to increase efficiency in claim processing.

- A pilot project is being conducted to assess the risks and benefits of processing some claims based on producer declarations and random follow up audits, without sending an initial adjuster out. The focus of this work is to try to be cost effective and work out risk criteria that should be assessed in determining where this type of approach may have application.

The crop insurance program provides insurance for production and quality loss against natural perils on 29 different crops or crop classes. In addition, insurance is available for a variety of forages. Yield loss payments are based on the shortfall between the production guarantee and the harvested yield. The quality guarantee compensates for the loss in value as a result of grade loss and is available on most annual crops. A designated grade has been established for each crop based on an historical average grade per crop. When the grade of the harvested production is lower than the designated grade, the production is adjusted by a quality factor.

Insurance is provided for crops that fail to establish or for the inability to seed a crop due to excessive spring moisture. An *establishment benefit* is available on crops that fail to adequately establish or suffer significant damage due to insurable causes prior to June 20. The establishment benefit payments increased in 2000. Indemnity payments are \$20 per acre for cereals, flax, mustard, and cowhinder; \$25 per acre for canola and sunflowers; and \$30 per acre for pulse crops (lentils, field peas, chickpeas, fababeans, drybeans). During the last few years, excessive moisture has hindered seeding activity in many areas of the province. In 2000, under the *unseeded acreage feature*, producers who are unable to seed the number of acres they normally seed by June 20 were eligible to receive up to \$50 per acre. The payment increased from \$25 to \$50 in the 2000 program for all crop insurance contract holders.

Unseeded Acreage Program

Crop Year	# of Claims Paid	Indemnity Paid	Adhoc Program	
			# of Claims Paid	Indemnity Paid
1991	-	\$ 0	-	-
1992	2	\$ 5,700	-	-
1993	8	\$ 32,225	-	-
1994	63	\$ 194,000	-	-
1995	36	\$ 88,500	-	-
1996	102	\$ 309,400	-	-
1997	74	\$ 116,250	-	-
1998	1	\$ 650	-	-
1999	6,073	\$ 20,829,375	7,834	\$ 33,534,700
2000	134	\$ 815,325	-	-
TOTALS	6,493	\$ 22,391,425	7,834	\$ 33,534,700

Insurable causes of loss are natural hazards defined as drought, flood, hail, wind, frost, lightning, accidental fire, excessive rain, snow, hurricane, tornado, wildlife, waterfowl, insects and/or plant disease. Causes of loss within the producer's control are not covered.

Premiums are cost-shared with the federal and provincial governments. In 2000, the governments paid an additional 10 per cent of the total premium at both the base and buy-up levels. For base coverage of 50 per cent of a producer's average yield: governments pay 90 per cent and producers pay 10 per cent. (1999: 80 per cent - 20 per cent). For buy-up coverage of 60, 70 or 80 per cent of average yield: governments pay 60 per cent and producers pay 40 per cent (1999: 50 per cent - 50 per cent).

Insurable Crops

Traditional crops insured for 2000 are hard red spring wheat, durum wheat, barley, oats, flax, canola, fall rye, sunflowers, extra strong red spring wheat, yellow mustard, brown mustard, oriental mustard, field peas, lentils, canary seed, soft white spring wheat (irrigation only), spring rye, triticale, red winter wheat, fababeans, Canada prairie spring wheat, dry beans (irrigation only), processing potatoes and seed potatoes.

Insurable forage crops include: tame hay, greenfeed, dehydrated alfalfa and sweetclover. In the case of perennial forages, different forage classes are established to recognize the age and productive capacity of the stand.

Crops insured under the new crops insurance program are coriander, caraway (biennial), Kabuli and Desi chickpeas and alfalfa seed.

Fall Crops

Winterkill coverage is offered as a separate option for fall crops. Producers had until August 25, 2000 to select winterkill insurance for crops seeded by September 25, 2000. Coverage for the winterkill option for fall rye and winter wheat seeded in 2000 increased to \$20 per acre.

New Crops Insurance Program

In 1997 Saskatchewan created the New Crops Insurance Program to help SCIC expand the list of insurable crops to ones where there was less data available than had historically been required to obtain federal and provincial approval. This allows SCIC to be more proactive in accommodating producers' insurance needs as they diversify their own operations in response to market signals and opportunities. Given some of the additional uncertainty that attaches to these crops, coverage is limited to 70 per cent and not all features of the traditional insurance program is available for these crops. It is expected that over time these commodities may be moved into the traditional program.

Desi and Kabuli chickpeas, alfalfa seed, coriander and caraway (biennial) were all insurable crops under the 2000 New Crop Insurance program. All new crops are insured for yield loss; chickpeas are insured for both quality and quantity. A producer's production guarantee is determined using the provincial average yield for the new crop.

Premium cost-sharing is the same for new crops as the regular crop insurance program. Producers have the option of selecting coverage levels of 50, 60 or 70 per cent. Spot-loss hail coverage is available on new crops up to 70 per cent. Any indemnities paid for hail damage will be deducted from any yield-loss claims on a selected crop. SCIC outlines recommended agronomic practices regarding seeding dates, seed treatment and crop rotations of crops insured under the New Crops Insurance Program.

Livestock Feed Insurance

Livestock Feed Insurance is offered for the following crops:

Tame Hay

Tame hay covers established tame perennial crops grown for forage. These crops include alfalfa, alfalfa/grass, grass and red clover.

Greenfeed

Greenfeed covers established annual cereal crops grown for forage. These crops include wheat, barley, oats, triticale, fall rye and spring rye.

Forage Establishment Benefit

The forage establishment benefit provides establishment coverage on acres seeded to tame perennial forage, including alfalfa, alfalfa/grass, grass and red clover.

Dehydrated Alfalfa

This covers established alfalfa acres contracted to a Saskatchewan dehy plant.

Sweetclover

Sweetclover acres grown for forage may be insured. Acres endorsed in the year they are seeded are covered for establishment. Acres that successfully establish are automatically insured for yield loss.

Livestock Feed Insurance Program 2000 Provincial Statistics

	Number of Endorsements	Number of Endorsements Receiving Indemnity	Acres Insured	Liability	Indemnity	Total Base Premium	Total Buy-up Premium	Total Premium
Winterfeed	1,975	272	239,656	\$ 8,420,382	\$ 544,387	\$ 922,968	\$ 678,202	\$ 1,601,170
Cereal	587	77	64,191	2,836,416	165,796	201,788	259,062	460,850
FEBO (seeded year 2000)	588	11	66,446	1,769,063	18,932	279,998	-	279,998
Dehy	45	1	8,130	186,489	121	4,224	8,710	12,934
Sweetclover (seeded year 1999)	9	3	465	12,856	2,475	1,581	1,946	3,527
Sweetclover (seeded year 2000)	32	-	3,062	-	-	-	-	-
TOTAL	3,236	364	381,950	\$ 13,225,206	\$ 731,711	\$ 1,410,559	\$ 947,920	\$ 2,358,479

Forage Establishment Benefit Option (FEBO) and Sweetclover are two year crops.
FEBO - Acres, Premium and Liability are now tracked by the crop year it was seeded in.
SC - Premium is charged in the second year, indemnity is all put into the second year.

Individual Coverage

Producers are guaranteed a minimum yield based on the coverage level they select as a percentage of their long-term individual yield. An individual yield is specific to each producer and consists of their own personal yield experience for each crop insured. When a contract holder first buys insurance their yield history may be supplemented with area average experiences if they do not have sufficient verifiable historical information to base their initial coverage on.

After each year a producer grows an insured crop, their long term individual yield history is updated to reflect experience in their future coverage (for practical reasons the current yield information is reflected in the coverage of the second following year). The updated formula uses 70 per cent of the previous average plus 10 per cent of the new annual yield information. An index is also calculated for each producer, comparing his or her cumulative experience to the area. If a producer does not grow a particular crop for a year or period of years, the next time they do grow it their coverage is a function of their index times whatever the area average yield is at that time.

Management Experience Transfer (MET)

To respond to the trend towards crop diversification, SOIC implemented a management experience transfer index for the 2000 crop insurance program. This is used to determine a potential yield for a crop the customer has not previously grown and insured, and assumes he/she will apply the same level of husbandry to the new crop. Essentially the new crop

coverage is the area average for the crop obtained by an index of the producer's personal yield experiences versus the area for the other crops they grow and insured.

Insured Price

The insured price is the forecast price a commodity will sell for during the crop year, as determined by Agriculture and Agri-Food Canada.

Variable Price Option

Producers have the option of choosing a fixed or variable price option. Under the Variable Price Option, if prices increase, the insured price will also increase to a maximum of 25 per cent above the fixed price. If price forecasts decrease, the variable price will not fall below the fixed price. Fixed prices are set using Agriculture and Agri-Food Canada market forecast prices. Premiums and coverage are adjusted accordingly. The prices are finalized in June prior to statements of insurance being issued in July. The Variable Price Option is available on all crops including forage and new crops.

There were 5,186 customers who endorsed grains under the Variable Price Option.

Spot-Loss Hail and Fire Option

Producers can select spot-loss hail and fire coverage of 50, 60 and 70 per cent on any insured crop. The coverage level chosen for the spot-loss hail option must be the same as that selected for crop insurance. Indemnities paid for damage will be deducted from any yield-loss claims on the same crop. A base hail premium rate will be established for each township.

1994 - 2000 Hail Statistics

YEAR	Insured Hail Acres	Total Premium	Liability	Claimed Acres	Original Indemnity	Yield Loss Offset	Net Hail Indemnity
1994	10,418,840	\$ 15,259,156	\$ 652,207,568	\$ 1,769,225	\$ 48,365,809	\$ 8,574,347	\$ 39,791,462
1995	12,814,141	\$ 24,343,157	\$ 827,611,796	\$ 2,332,598	\$ 59,266,091	\$ 6,993,089	\$ 52,273,002
1996	12,627,425	\$ 37,126,038	\$ 1,030,188,338	\$ 1,100,817	\$ 30,087,096	\$ 1,206,657	\$ 28,880,439
1997	15,478,236	\$ 42,254,911	\$ 1,166,309,070	\$ 1,354,377	\$ 36,240,239	\$ 3,559,915	\$ 32,680,324
1998	16,053,990	\$ 42,152,088	\$ 1,157,632,034	\$ 1,034,294	\$ 23,557,588	\$ 1,511,501	\$ 22,046,087
1999	15,751,774	\$ 42,247,357	\$ 1,185,807,470	\$ 1,328,740	\$ 30,570,516	\$ 1,759,020	\$ 28,811,495
2000	19,122,024	\$ 43,635,694	\$ 1,214,848,345	\$ 2,773,357	\$ 62,767,871	\$ 6,391,568	\$ 56,376,303
TOTAL	102,264,430	\$ 247,018,401	\$ 7,234,604,621	\$ 11,693,408	\$ 290,855,209	\$ 29,996,098	\$ 260,859,112

* Hail claims are adjusted before harvest and loss amounts paid out are shown as the Original Indemnity. After harvest an adjustment is made to transfer that portion of the original indemnity that would have been paid under the yield loss program as a post-harvest claim.

Diversification Option

The Diversification Option is available to crops and varieties that are not insurable under the regular Crop Insurance Program or New Crops Insurance Program. Producers must have insured acres under the crop insurance grains program in order to be eligible for the diversification option.

Coverage levels, premiums and any claims paid for the crop or variety grown under the Diversification Option are equal to the average coverage, premium and claim for all insured acres under the grains program. A maximum of 20 per cent of total acres insured under the grains program could be included under the Diversification Option. Spot-loss hail coverage is not available on diversification acres.

Organic Crop Option

Producers must be certified as an organic producer in the current year to be eligible for the Organic Crop Option. Under this option, producers' insurance is based on estimated higher market prices for their organic commodities. Yields are also reduced to reflect expected lower yields due to having fewer management tools at their disposal. Prices will be reverted to commercial prices if a producer loses their certification in the year, but the production guarantee will remain the same.

Organic prices are set 30 to 50 per cent higher than the commercial price option crop. Premium rates are higher for organic crops than for the commercial program to reflect the higher risk associated with growing organic crops.

Pedigreed Seed Option

Members of the Certified Seed Growers Association are eligible to participate in the Pedigreed Seed Option. This option recognizes the unique value and higher costs associated with pedigreed seed production by using commodity prices 30 per cent higher than commercial prices for oilseeds and 20 per cent higher for other crops. Producers selecting this option must also insure any commercial crops grown at the same coverage level and must store pedigreed seed separate from commercial production.

This option also provides compensation to producers whose crop fail germination standards, due to insured causes of loss, and cannot sell their product as Canada Certified number one seed.

Irrigation Coverage

Crops produced on irrigated land are expected to have a higher yield than dry land crops and producers selecting this option benefit from higher coverage. Spring flood type irrigation is not considered adequate and irrigated acres will be inspected to establish the effectiveness of the irrigation schedule and application. Drought is not an insurable cause of loss under this option.

Producers who insure irrigated crops are required to insure all acres of that crop seeded to dry land. All production will be considered in yield-loss adjustments regardless of whether it is grown on irrigated or dry land. Premium rates for irrigated crops are lower to reflect the reduced risk.

Annual Waterfowl Damage Compensation Summary

YEAR	Claims	Compensation Paid	\$/Claim
78-79	1,586	\$ 1,836,587	\$ 1,158
79-80	908	\$ 977,476	\$ 1,077
80-81	1,233	\$ 1,465,480	\$ 1,189
81-82	305	\$ 312,061	\$ 1,023
82-83	582	\$ 684,593	\$ 1,176
83-84	541	\$ 869,910	\$ 1,608
84-85	408	\$ 763,530	\$ 1,871
85-86	2,544	\$ 6,389,022	\$ 2,511
86-87	2,950	\$ 6,658,769	\$ 2,257
87-88	1,210	\$ 1,779,933	\$ 1,471
88-89	807	\$ 1,337,903	\$ 1,658
89-90	1,384	\$ 3,727,130	\$ 2,693
90-91	760	\$ 2,138,380	\$ 2,814
91-92	392	\$ 683,391	\$ 1,743
92-93	2,040	\$ 5,557,642	\$ 2,724
93-94	1,560	\$ 3,603,156	\$ 2,310
94-95	1,668	\$ 1,778,556	\$ 1,066
95-96	709	\$ 1,352,767	\$ 1,908
96-97	2,416	\$ 7,951,921	\$ 3,291
97-98	1,077	\$ 4,361,668	\$ 4,050
98-99	298	\$ 520,360	\$ 1,746
99-00	1,600	\$ 4,309,428	\$ 2,693
00-01	1,006	\$ 2,225,804	\$ 2,213
TOTAL	27,984	\$ 61,285,467	
Average	1,217	\$ 2,664,586	\$ 2,011

Compensation is paid under a separate fund administered by SCIC and prevention is paid by SERM.

Waterfowl and Big Game Crop Damage Compensation Programs

SCIC administers the Waterfowl and Big Game Damage Crop Compensation Programs. Producers can suffer severe crop losses from the damage caused by white-tailed deer, mule deer, antelope, elk, moose, bears, ducks, geese and sandhill cranes. Any Saskatchewan producer with or without a crop insurance contract is eligible to receive compensation for crops damaged by waterfowl or big game.

Compensation covers 85 per cent of the incurred loss. Payments are based on the grade of the crop at the time of harvest to adequately reflect the value of the damaged crop, subject to a \$200 deductible per crop. Protein adjustments or malting status are not included in determining compensation amounts. There are no costs or premiums paid by the producer.

Annual Big Game Damage Compensation Summary

YEAR	Claims	Compensation Paid	\$/Claim
96-97	0	0	\$ 0
97-98*	1,671	\$ 6,412,426	\$ 3,837
98-99	264	\$ 529,955	\$ 2,007
99-00	400	\$ 893,760	\$ 2,234
00-01	333	\$ 684,541	\$ 2,056
TOTAL	2,668	\$ 8,520,682	
5 yr Avg	534	\$ 1,704,136	\$ 2,027

*97/98 includes claims from both 1996 and 1997 crop years. Because of an early snowfall in 1996, claims submitted in 1996 were paid out in the spring of 1997 when damages were assessed.

SCIC acknowledges the move towards diversified farming in Saskatchewan and recognizes the importance of working with various industry associations. SCIC continues to build partnerships with industry specialists, producer groups, and university research groups to develop responsive programs that meet the needs of farmers in today's diverse agricultural economy. Networking with such organizations has assisted SCIC to continually grow and expand its New Crops Insurance program. These groups include:

- Herb and Spice Association
- Alfalfa Seed Growers
- Pulse Growers
- Saskatchewan Hemp Association
- Saskatchewan Irrigation Development Association
- University of Saskatchewan

Saskatchewan Management Plus (SMP)

SMP is a unique partnership with SCIC and 5,600 producers. It is a voluntary program designed to provide information on crop production technology and farm management practices based on actual producer data.

Information is collected, summarized and returned to participating producers. The information returned to the producer includes average crop yields by variety on a localized basis, area yields by crop variety, yield by seeding method and average grade of the crops produced. Producers use the agronomic data to make informed management decisions for their farm operation by making detailed comparisons between their farm practices and established yields for their area. The data SCIC receives from SMP is also used to evaluate and monitor new crops for possible coverage in the future.

The program is unique in that it uses actual, hands-on data gathered from Saskatchewan farmers. The number and diversity of participants determine the success of the program. Continued efforts through trade shows, Internet technology and a knowledgeable sales staff will focus on increasing participation and building partnerships with Saskatchewan producers. SMP can be accessed on the Internet at www.agr.gov.sk.ca/smp

Canada-Saskatchewan Adjustment Program (C-SAP)

On February 24, 2000, the federal and provincial governments announced a farm assistance program that provided \$260 million to Saskatchewan producers to assist them complete the adjustment to the elimination of the transportation subsidies and the pooling of Canadian Wheat Board seaway costs. The federal contribution was \$180 million and the provincial contribution was \$80 million.

SCIC successfully administered the program to 52,112 farmers who received an average total payment of \$4,990. Initial payments commenced in April based on 6 per cent of eligible sales, to a maximum of \$125,000, in order to assist with seeding costs. A final payment of 1.5269 per cent of eligible sales was issued in August. Payments were targeted to actual farm operators; landlords were ineligible to participate.

Historical Information on Participation

CROP YEAR	Seeded Acres	Insured Acres	% Insured of Seeded	Insured Producers	Total Premium	Liability	Indemnity	Indemnity/Liability
1973	24,902,000	7,235,666	29.06%	23,909	\$ 13,560,940	\$ 140,436,128	\$ 7,730,305	5.50%
1974	24,057,000	9,804,422	40.75%	31,411	\$ 29,072,440	\$ 288,263,532	\$ 32,898,379	11.41%
1975	24,040,000	12,066,222	50.19%	38,209	\$ 39,643,098	\$ 405,089,832	\$ 28,392,087	7.01%
1976	23,999,000	12,811,518	53.38%	39,143	\$ 51,972,064	\$ 542,207,973	\$ 22,401,840	4.13%
1977	24,376,000	16,116,827	66.12%	47,156	\$ 69,523,328	\$ 704,688,894	\$ 36,862,943	5.23%
1978	25,498,000	15,099,256	59.22%	43,032	\$ 66,516,550	\$ 708,193,202	\$ 29,419,884	4.15%
1979	25,696,000	14,301,117	55.66%	40,154	\$ 66,130,612	\$ 721,821,633	\$ 103,835,041	14.39%
1980	25,258,000	15,919,936	63.03%	42,850	\$ 82,915,286	\$ 935,838,614	\$ 135,708,452	14.50%
1981	27,142,000	17,845,097	65.75%	46,259	\$ 107,224,700	\$ 1,162,172,942	\$ 92,280,986	7.94%
1982	27,540,000	17,472,266	63.44%	44,469	\$ 112,916,430	\$ 1,233,908,814	\$ 74,157,729	6.01%
1983	28,006,000	17,510,357	62.52%	43,000	\$ 112,034,912	\$ 1,254,906,517	\$ 105,243,197	8.39%
1984	29,413,000	18,353,785	62.40%	43,443	\$ 125,381,768	\$ 1,345,493,742	\$ 259,864,151	19.31%
1985	30,148,000	20,878,177	69.25%	46,894	\$ 152,104,688	\$ 1,558,492,595	\$ 377,180,151	24.20%
1986	31,023,900	23,223,755	74.86%	48,952	\$ 176,017,284	\$ 1,778,772,508	\$ 119,054,329	6.69%
1987	30,988,700	21,661,168	69.90%	46,492	\$ 123,939,564	\$ 1,161,135,578	\$ 87,240,750	7.51%
1988	29,823,000	21,566,031	72.31%	45,721	\$ 126,531,026	\$ 1,159,096,010	\$ 465,603,032	40.17%
1989	31,286,000	24,444,278	78.13%	49,267	\$ 264,244,732	\$ 1,942,011,401	\$ 449,653,069	23.15%
1990	30,815,500	23,388,147	75.90%	46,523	\$ 225,432,602	\$ 1,713,501,461	\$ 160,883,342	9.39%
1991	30,785,500	27,483,146	89.27%	51,466	\$ 165,294,474	\$ 1,478,891,201	\$ 61,312,350	4.15%
1992	30,719,500	24,086,895	78.41%	49,466	\$ 265,225,584	\$ 1,706,956,497	\$ 301,960,318	17.69%
1993	32,221,000	19,547,592	60.67%	45,752	\$ 200,239,386	\$ 1,269,698,961	\$ 181,809,677	14.32%
1994	32,717,000	18,163,907	55.52%	43,107	\$ 176,457,612	\$ 1,249,853,183	\$ 125,783,335	10.06%
1995	32,975,000	19,135,295	58.03%	40,904	\$ 181,559,846	\$ 1,355,607,448	\$ 153,804,482	11.35%
1996	32,766,600	18,710,584	57.10%	38,099	\$ 210,591,050	\$ 1,619,069,926	\$ 61,289,666	3.79%
1997	33,809,000	20,147,657	59.59%	36,030	\$ 184,176,191	\$ 1,574,353,395	\$ 84,488,198	5.37%
1998	34,155,000	21,514,947	62.99%	35,336	\$ 191,792,322	\$ 1,610,578,015	\$ 88,752,434	5.51%
1999	33,155,000	20,368,344	61.43%	33,216	\$ 178,627,850	\$ 1,583,681,295	\$ 93,894,175	5.93%
2000	34,790,000	24,094,780	69.26%	34,120	\$ 183,763,034	\$ 1,561,382,982	\$ 131,967,498	8.45%
Average (1973-2000)	29,360,918	18,676,828	63.61%	41,942	\$ 138,674,620	\$ 1,205,932,296	\$ 138,338,279	11.47%

This information is for the grains program and the Spot-Loss Hail Option. It does not include the Livestock Feed Insurance Program. Includes Unseeded Acreage Option.

Percentage of Acreage By Coverage Levels in 2000

Crop*	50%	60%	70%	80%
HARD RED SPRING WHEAT	9%	6%	68%	17%
DURUM WHEAT	9%	5%	72%	13%
BARLEY	18%	8%	62%	12%
OATS	24%	8%	56%	13%
FLAX	14%	8%	64%	14%
CANOLA	12%	6%	66%	15%
FALL RYE	19%	13%	56%	12%
SUNFLOWER	11%	3%	84%	2%
EXTRA STR SPRING WHEAT	13%	10%	62%	14%
FIELD PEAS	17%	10%	63%	9%
LENTILS	23%	14%	53%	10%
CANARY SEED	16%	13%	57%	14%
SOFT WHITE SPRING WHEAT	49%	0%	17%	34%
SPRING RYE	10%	24%	48%	18%
TRITICALE	21%	15%	59%	5%
WINTER WHEAT	17%	6%	69%	8%
FABABEANS	28%	4%	68%	0%
DRY BEANS	28%	11%	61%	0%
YELLOW MUSTARD	16%	5%	66%	13%
BROWN MUSTARD	13%	7%	70%	11%
ORIENTAL MUSTARD	15%	10%	65%	11%
CORIANDER	32%	10%	58%	0%
CARAWAY	13%	29%	58%	0%
CANADA PRAIRIE SPGWHT	18%	9%	60%	13%
DESI CHICKPEAS	22%	10%	68%	0%
KABULI CHICKPEAS	22%	9%	69%	0%
ALFALFA SEED	7%	5%	88%	0%
PROCESSING POTATO	14%	2%	84%	0%
SEED POTATO	82%	15%	2%	0%
SUNFLR-OTHER	15%	7%	67%	12%
Percentage of Total	13.40%	7.30%	65.60%	13.70%
1999 Comparison	18.50%	8.90%	59.00%	13.60%
1998 Comparison	18.10%	8.70%	58.00%	15.20%
1997 Comparison	27.70%	10.60%	50.30%	11.40%

* Includes commercial, pedigreed and organic crops

Weighted Average Coverage Level:

2000	67%	1998	67%
1999	67%	1997	65%

Insured Acres By Crop

YEAR	Wheat	Hard Red Spring	Durum	Barley	Oats	Flax	Canola	Fall Rye	* Sun Flowers	Extra Strong		Yellow Mustard	Brown Mustard	Oriental Mustard	Field Peas	Lentils	Canary Seed	Soft White	
										Red Spring Wheat	Mustard							Spring Wheat	
1961-62	28,600			1,740	3,160														
1962-63	180,000			18,400	27,800														
1963-64	304,600			29,200	38,000														
1964-65	414,700			25,800	23,000														
1965-66	512,200			37,100	21,200														
1966-67	1,182,600			143,000	20,600														
1967-68	1,593,000			190,000	23,000														
1968-69	2,742,000			214,000	35,000														
1969-70	2,145,000			216,000	37,000														
1970-71		579,500	137,400	262,500	24,400														
1971-72		1,040,200	149,000	250,600	24,800														
1972-73		1,613,505	385,088	362,166	40,855	41,267	146,301												
1973-74		4,731,716	715,544	1,008,656	234,891	153,252	388,380	2,177	1,050										
1974-75		5,615,440	1,360,053	1,507,827	430,933	218,854	545,896	14,054	190	42,295	68,880								
1975-76		6,673,045	2,072,676	1,519,288	559,950	227,902	881,834	29,722	829	67,105	33,871								
1976-77		8,452,752	1,870,193	1,389,155	549,122	90,225	328,818	49,101	570	60,345	17,950								
1977-78		10,367,504	1,216,880	2,246,807	746,651	365,647	774,775	47,929	2,291	264,967	73,457					5,287			
1978-79		8,692,868	2,266,101	1,631,337	476,210	221,894	1,415,738	83,014	2,004	226,913	73,363					9,919			
1979-80		8,706,489	1,721,750	1,270,343	361,241	386,897	1,616,044	76,076	4,128	58,068	44,418					9,814			
1980-81		9,783,115	2,147,814	1,795,748	480,810	247,139	1,085,158	89,389	10,632	44,046	110,742					12,789	13,941	24,075	
1981-82		11,097,416	2,749,049	2,180,806	546,035	210,676	686,360	138,233	4,791	37,515	75,290					17,569	43,400	50,881	
1982-83		11,250,517	2,237,746	2,049,734	461,074	275,290	757,199	147,036	3,601	34,773	49,725					15,942	44,848	39,962	
1983-84		11,854,822	2,087,304	1,614,460	326,370	123,665	1,112,926	135,117	1,306	25,787	93,580					26,530	63,902	89,761	
1984-85		10,931,701	2,561,121	1,823,475	376,268	372,201	1,770,049	105,569	5,895	58,823	164,691					21,594	56,294	47,883	
1985-86		11,853,170	2,899,744	2,218,712	469,229	430,229	1,803,123	118,634	6,103	167,936	222,031					28,907	76,035	67,907	
1986-87		13,298,153	3,172,596	2,394,632	468,090	501,806	1,665,883	187,634	6,493	156,036	271,288					43,798	110,489	84,892	9,329
1987-88		11,674,712	3,710,793	2,497,283	456,691	351,599	1,627,739	164,669	11,334	59,578	117,443					102,565	218,964	131,153	11,301
1988-89		10,840,175	3,880,322	2,090,117	628,814	312,559	2,586,023	138,679	10,529	58,419	247,822					206,548	333,353	158,996	4,468
1989-90		12,070,775	4,684,235	2,759,566	758,462	533,851	2,295,868	330,134	10,019	58,177	361,354					235,656	185,885	183,337	2,262
1990-91		12,962,716	3,580,820	2,372,150	444,078	655,579	2,065,296	227,450	8,102	44,891	361,373					96,573	166,849	244,304	2,043
1991-92		15,512,081	3,723,365	2,776,307	382,028	483,221	3,121,653	98,670	16,917	24,921	186,406					75,248	199,668	243,712	2,972
1992-93		14,453,469	2,485,801	2,166,076	419,373	206,509	2,735,548	57,084	9,439	22,908	205,996					156,871	407,874	207,718	6,445
1993-94		9,724,157	1,942,853	1,738,413	366,814	409,525	3,305,427	77,362	20,748	124,147	233,671					221,185	319,646	183,367	4,350
1994-95		6,315,045	2,785,708	1,408,404	318,456	563,646	4,508,878	56,879	16,140	98,647	386,635					355,351	439,630	201,562	1,149
1995-96		6,868,737	2,825,626	1,789,833	256,052	759,514	4,285,004	46,860	11,515	147,124	288,527					570,038	496,761	276,513	0
1996-97		8,213,055	2,708,185	1,986,217	433,415	435,399	2,670,161	34,136	6,683	214,413	246,407					740,427	468,360	209,954	80
1997-98		6,963,500	3,066,510	2,069,474	419,457	792,587	3,006,591	40,008	16,688	215,154	309,005					472,253	374,975	281,035	549
1998-99		5,603,875	4,322,155	2,079,545	706,099	991,327	4,377,810	68,755	20,402	177,123	348,309					872,473	487,762	165,433	357
1999-00		6,389,437	2,491,946	2,080,267	536,971	889,593	4,612,512	47,853	32,733	136,885		109,918	116,924	166,648		1,164,713	587,490	290,581	260
2000-01		6,262,871	4,207,896	3,060,878	661,677	740,964	4,220,011	31,051	21,175	132,063		81,088	93,997	169,121	1,547,849	1,357,466	296,903	316	483

1991-92, 1992-93, 1993-94 and 1994-95 information is for Crop Insurance only and the crop insurance portion of GRIP.

Soft White Spring Wheat	Spring Rye	Trib- cals	Winter Wheat	Faba- beans	Dry Beans	Coriander	Canaway	Canada Prairie				Processing Potato	Seed Potato	Diversifi- cation	Winterkill Acres	Total	**Average	# of Contracts
								Spring Wheat	Desi Chickpea	Kahuli Chickpea	Alfalfa Seed							
																33,500	173	194
																226,200	169	1,337
																371,800	166	2,235
																463,500	197	2,357
																570,500	180	3,172
																1,346,200	193	6,989
																1,806,000	220	8,211
																2,991,000	242	12,343
																2,398,000	206	11,617
																1,003,800	111	9,083
																1,464,600	186	7,890
																2,589,182	219	11,844
																7,235,666	303	23,909
																9,804,422	312	31,411
																12,066,222	316	38,209
																12,811,518	327	39,143
																16,116,827	342	47,156
																15,099,256	351	43,032
																14,301,117	356	40,154
	4,858															15,919,936	372	42,850
	13,493															17,845,097	386	46,259
	18,022			152												17,472,266	393	44,469
	25,008			370												17,510,357	407	43,000
	8,072			1,177												18,353,785	422	43,443
	9,133			2,010												20,878,177	445	46,894
9,329	23,484		416,257	1,017												23,223,755	474	48,952
11,301	29,369	2,887	602,306	2,599												21,661,168	466	46,492
4,468	15,219	2,079	264,277	4,387												21,566,031	472	45,721
2,262	20,727	1,711	130,624	12,370												24,444,278	496	49,267
2,043	18,008	1,166	51,912	983												23,388,147	503	46,523
2,972	15,828	5,115	68,391	575	366			53,817								27,483,146	534	51,466
6,445	18,445	5,097	23,570	3,117	210			326,653				1,577				24,086,895	487	49,466
4,350	17,793	7,802	14,694	3,268	204			551,764				619				19,547,592	427	45,752
1,149	12,924	11,414	15,838	1,532	208			564,436				431				18,163,907	421	43,107
0	12,929	7,152	10,227	298	472			329,938				1,141		4,803		19,135,295	468	40,904
80	4,510	5,785	20,426	290	1,357			404,611				703		4,798		18,710,584	491	38,099
549	4,306	5,465	41,669	130	1,484			579,749				898		2,480		20,147,657	559	36,030
357	5,762	7,384	47,042	310	1,558			796,755				3,847		4,066		21,514,947	609	35,336
260	8,520	18,794	55,087	527	2,393			595,423	29,647	33,964	23,870	8,278		1,850		20,368,344	613	33,216
483	4,986	19,513	48,789	650	2,385	10,091	4,308	394,839	128,926	132,441	27,866		79	2,061	3,184	24,094,780	706	34,120
316	2,303	15,989	86,095	905	3,608	11,074	4,820	323,408	293,440	354,822	49,432		603	3,204	2,209			

* Sunflower includes sunwheat and sunola ** Average (acres per contract) does not include Livestock Feed Insurance Program contracts

Grains Program - Customers, Liability & Premium & Indemnity Statistics

YEAR	Number Average Customers	Liability	Average Customer Liability	Customer's Net Premium	Total Net Premium
1961-62	194	\$ 306,500	\$ 1,580	\$ 23,925	\$ 29,906
1962-63	1,337	\$ 2,319,000	\$ 1,734	\$ 171,284	\$ 214,105
1963-64	2,235	\$ 3,683,000	\$ 1,648	\$ 275,645	\$ 344,556
1964-65	2,357	\$ 4,088,000	\$ 1,735	\$ 278,926	\$ 348,658
1965-66	3,172	\$ 4,566,000	\$ 1,440	\$ 290,708	\$ 363,385
1966-67	6,989	\$ 12,125,000	\$ 1,734	\$ 743,154	\$ 928,943
1967-68	8,211	\$ 15,910,000	\$ 1,938	\$ 941,146	\$ 1,176,433
1968-69	12,343	\$ 27,165,000	\$ 2,201	\$ 1,719,898	\$ 2,149,873
1969-70	11,637	\$ 21,194,000	\$ 1,821	\$ 1,320,748	\$ 1,650,935
1970-71	9,083	\$ 9,039,200	\$ 995	\$ 567,835	\$ 709,794
1971-72	7,890	\$ 14,625,000	\$ 1,854	\$ 782,908	\$ 978,635
1972-73	11,844	\$ 29,840,005	\$ 2,519	\$ 1,821,463	\$ 2,276,829
1973-74	23,909	\$ 140,436,128	\$ 5,874	\$ 6,780,470	\$ 13,688,272
1974-75	31,411	\$ 288,263,532	\$ 9,177	\$ 14,536,220	\$ 30,098,459
1975-76	38,209	\$ 405,089,832	\$ 10,604	\$ 19,821,549	\$ 41,041,161
1976-77	39,143	\$ 542,207,973	\$ 13,852	\$ 25,986,032	\$ 53,637,408
1977-78	47,156	\$ 704,688,894	\$ 14,944	\$ 34,761,664	\$ 71,887,589
1978-79	43,032	\$ 708,193,202	\$ 16,457	\$ 33,258,275	\$ 66,472,426
1979-80	40,154	\$ 721,821,633	\$ 17,976	\$ 33,065,306	\$ 66,055,718
1980-81	42,850	\$ 935,838,614	\$ 21,840	\$ 41,457,643	\$ 82,546,598
1981-82	46,259	\$ 1,162,172,942	\$ 25,123	\$ 53,612,350	\$ 106,100,031
1982-83	44,469	\$ 1,233,908,814	\$ 27,748	\$ 56,458,215	\$ 112,003,208
1983-84	43,000	\$ 1,254,906,517	\$ 29,184	\$ 56,017,456	\$ 111,588,185
1984-85	43,443	\$ 1,345,493,742	\$ 30,971	\$ 62,690,884	\$ 123,439,542
1985-86	46,894	\$ 1,558,492,595	\$ 33,234	\$ 76,052,344	\$ 151,943,200
1986-87	48,952	\$ 1,778,772,508	\$ 36,337	\$ 88,008,642	\$ 170,010,965
1987-88	46,492	\$ 1,161,135,578	\$ 24,975	\$ 61,969,782	\$ 120,935,244
1988-89	45,721	\$ 1,159,096,010	\$ 25,352	\$ 63,265,513	\$ 121,599,339
1989-90	49,267	\$ 1,942,011,401	\$ 39,418	\$ 132,122,366	\$ 238,801,161
1990-91	46,523	\$ 1,713,501,461	\$ 36,831	\$ 112,716,301	\$ 207,182,201
1991-92	51,466	\$ 1,478,891,201	\$ 28,735	\$ 82,647,237	\$ 145,600,110
1992-93	49,466	\$ 1,706,956,497	\$ 34,508	\$ 111,510,843	\$ 223,159,109
1993-94	45,752	\$ 1,269,698,961	\$ 27,752	\$ 100,119,693	\$ 199,319,998
1994-95	43,107	\$ 1,249,853,183	\$ 28,994	\$ 88,228,806	\$ 161,006,675
1995-96	40,904	\$ 1,355,607,448	\$ 33,141	\$ 80,561,270	\$ 157,205,530
1996-97	38,099	\$ 1,619,069,926	\$ 42,496	\$ 86,722,633	\$ 173,445,266
1997-98	36,030	\$ 1,574,353,395	\$ 43,696	\$ 56,567,834	\$ 141,930,893
1998-99	35,336	\$ 1,610,578,015	\$ 45,579	\$ 53,926,962	\$ 149,706,545
1999-00	33,216	\$ 1,583,681,295	\$ 47,678	\$ 48,739,931	\$ 136,382,054
2000-01	34,120	\$ 1,561,382,982	\$ 45,762	\$ 36,320,919	\$ 140,130,557

1991-92, 1992-93, 1993-94 and 1994-95 information is for Crop Insurance only and the crop insurance portion of GRIP.
This does not include LFIIP or the Spot-Loss Hail Option.
Premium includes premiums from producers and premium contributions by the governments of Canada and Saskatchewan.

Average Customer Premium	Average Customer Rate (%)	Number of Indemnities Paid	Indemnity Amount	Loss to Premium Ratio	
				(By Year)	(Accumulated)
\$ 123	7.8	169	\$ 129,669	4.34	4.34
\$ 128	7.4	147	\$ 61,651	0.29	0.78
\$ 123	7.5	38	\$ 9,285	0.03	0.34
\$ 118	6.8	240	\$ 137,926	0.40	0.36
\$ 92	6.4	301	\$ 123,304	0.34	0.36
\$ 106	6.1	161	\$ 107,978	0.12	0.26
\$ 115	5.9	887	\$ 497,118	0.42	0.31
\$ 139	6.3	1,683	\$ 1,607,853	0.75	0.48
\$ 113	6.2	553	\$ 385,787	0.23	0.42
\$ 63	6.3	213	\$ 104,338	0.15	0.40
\$ 99	5.4	206	\$ 142,930	0.15	0.37
\$ 154	6.1	1,654	\$ 1,262,763	0.55	0.41
\$ 284	4.8	8,484	\$ 7,730,305	0.56	0.49
\$ 463	5.0	23,505	\$ 32,898,379	1.09	0.82
\$ 506	4.9	24,444	\$ 28,392,087	0.69	0.77
\$ 664	4.8	15,092	\$ 22,401,840	0.42	0.64
\$ 736	4.9	21,915	\$ 36,862,943	0.51	0.60
\$ 773	4.7	17,389	\$ 29,419,884	0.44	0.56
\$ 824	4.6	39,050	\$ 103,835,041	1.57	0.75
\$ 968	4.4	35,907	\$ 135,708,452	1.64	0.92
\$1,159	4.6	29,167	\$ 92,280,986	0.87	0.91
\$1,270	4.6	23,967	\$ 74,157,729	0.66	0.87
\$1,303	4.5	26,804	\$ 105,243,197	0.94	0.88
\$1,443	4.7	51,853	\$ 259,864,151	2.11	1.05
\$1,622	4.9	57,693	\$ 377,180,151	2.48	1.26
\$1,798	4.9	29,161	\$ 119,054,329	0.70	1.18
\$1,333	5.3	25,547	\$ 87,240,750	0.72	1.14
\$1,384	5.5	74,987	\$ 465,603,032	3.83	1.36
\$2,682	6.8	57,064	\$ 449,653,069	1.88	1.44
\$2,423	6.6	36,538	\$ 160,883,342	0.78	1.36
\$1,606	5.6	23,252	\$ 61,312,350	0.42	1.30
\$2,254	6.5	39,627	\$ 301,960,318	1.35	1.30
\$2,188	7.9	27,385	\$ 181,809,677	0.91	1.27
\$2,047	7.1	17,924	\$ 85,991,873	0.53	1.23
\$1,970	5.9	21,525	\$ 101,531,480	0.65	1.19
\$2,276	5.4	7,541	\$ 32,409,227	0.19	1.13
\$1,570	3.6	12,152	\$ 51,807,874	0.37	1.10
\$1,526	3.3	15,452	\$ 66,706,347	0.45	1.07
\$1,467	3.1	14,871	\$ 65,065,409	0.48	1.05
\$1,065	2.3	12,064	\$ 75,919,849	0.54	1.03

TABLE OF CONTENTS

Financial Statements of the Saskatchewan Crop Insurance Corporation

Management's Report	27
Auditors' Report	28
Balance Sheet	29
Statements of Operations and Net Assets	30
Statement of Cash Flows	31
Administration Expenditures	32
Notes to Financial Statements	33

Financial Statements of the Crop Reinsurance Fund of Saskatchewan

Auditors' Report	36
Balance Sheet	37
Statement of Operations and Net Assets	38
Notes to Financial Statements	39

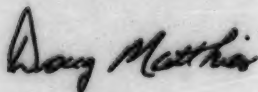
Responsibility for Financial Statements

The financial statements of the Saskatchewan Crop Insurance Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles, using management's best estimates and judgements where appropriate.

The Corporation's management is responsible for the reliability and integrity of these financial statements and other information in this Annual Report. Other financial information in the Annual Report is consistent with that provided in these financial statements.

To provide for the reliability and integrity of the financial statements, the Corporation's accounting system and systems of internal control are maintained to provide reasonable assurance that transactions are properly authorized and recorded and that assets are properly safeguarded.

The Corporation's external auditor, KPMG LLP, has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements. The Board of Directors of the Saskatchewan Crop Insurance Corporation has reviewed and approved these financial statements.



Doug Mathies
General Manager



Lorne Warnes
Executive Manager of Finance and Administration

May 4, 2001

**To the Members of the Legislative Assembly
Province of Saskatchewan**

We have audited the balance sheet of the Saskatchewan Crop Insurance Corporation as at March 31, 2001 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 4, 2001

March 31, 2001 with comparative figures for 2000

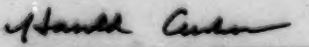
Assets	2001	2000
Cash	\$ 94,141	\$ —
Investments (note 4)	3,397,270	3,290,071
Due from the Province of Saskatchewan General Revenue Fund (note 3)	263,134,827	219,224,121
Accrued interest and other receivables	8,323,654	2,829,100
Premium and other program receivables	30,814,817	35,813,574
Due from Crop Reinsurance Fund of Canada for Saskatchewan	436,137	436,137
Prepaid expenses	55,868	50,104
Capital assets (note 5)	<u>3,113,969</u>	<u>3,796,115</u>
	<u>\$ 309,370,683</u>	<u>\$ 265,447,222</u>
Liabilities and Net Assets		
Bank overdraft	\$ —	\$ 614,674
Accounts payable and accrued liabilities	2,038,689	3,217,053
Estimated indemnities payable	127,140	26,578
Reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	1,443,547	2,138,365
Deferred administration revenue (note 6)	<u>5,167,656</u>	<u>3,796,115</u>
	8,777,032	9,792,785
Net assets	<u>300,593,651</u>	<u>255,654,437</u>
	<u>\$ 309,370,683</u>	<u>\$ 265,447,222</u>

Commitments and contingencies (note 8).
See accompanying notes to financial statements.

On behalf of the Board:



Chairperson



Vice-Chairperson

Year Ended March 31, 2001 with comparative figures for 2000

	2001	2000
Revenue		
Premium contributions:		
Producers	\$ 54,283,141	\$ 70,626,404
Government of Saskatchewan	52,781,180	55,375,052
Government of Canada	<u>78,893,945</u>	<u>55,375,052</u>
	<u>185,957,866</u>	<u>181,376,508</u>
Less reinsurance premiums ceded:		
Crop Reinsurance Fund of Canada for Saskatchewan	11,806,041	12,552,394
Crop Reinsurance Fund of Saskatchewan (note 1)	<u>13,394,703</u>	<u>14,140,480</u>
	<u>25,111,544</u>	<u>26,692,874</u>
Net premiums	160,846,322	154,683,634
Unsettled Acreage Supplementary Program grants (note 9)	52,865	24,642,610
Interest income	13,954,520	10,718,649
New Crops Loss Recovery (note 1)	<u>3,741,235</u>	<u>112,401</u>
	<u>178,594,942</u>	<u>190,157,314</u>
Expenses		
Indemnities	133,043,739	94,812,076
Unsettled Acreage Supplementary Program payments (note 9)	52,865	24,642,610
Bad debts	<u>559,124</u>	<u>154,893</u>
	<u>133,655,728</u>	<u>119,609,579</u>
Excess of revenue over expenses from insurance operations, before administration revenue and expenses	44,939,214	70,547,735
Administration revenue		
Province of Saskatchewan operating grant (note 6)	24,228,459	23,221,316
Other administration revenue	<u>419,967</u>	<u>597,735</u>
	<u>24,648,426</u>	<u>23,819,051</u>
Administration expenses (Schedule 1)	<u>24,648,426</u>	<u>23,819,051</u>
Excess of revenue over expenses	44,939,214	70,547,735
Net assets, beginning of year	<u>255,654,437</u>	<u>185,106,702</u>
Net assets, end of year	<u>\$ 300,593,651</u>	<u>\$ 255,654,437</u>

See accompanying notes to financial statements.

Year Ended March 31, 2001 with comparative figures for 2000

	2001	2000
Cash Provided by (Used in):		
Operating Activities:		
Excess of revenue over expenses	\$ 44,939,214	\$ 70,547,735
Item not affecting cash:		
Amortization	1,460,855	1,524,946
Change in non-cash operating items:		
Accrued interest and other receivables	(5,494,554)	(565,206)
Premium and other program receivables	4,998,757	(16,512,876)
Prepaid expenses	(5,764)	(7,219)
Accounts payable and accrued liabilities	(1,178,364)	309,611
Estimated indemnities payable	100,562	(386,292)
Reinsurance premium payable to Crop Reinsurance Fund of Saskatchewan	(694,818)	(117,077)
Deferred administration revenue	1,371,541	(3,656,991)
	<u>45,497,429</u>	<u>51,136,631</u>
Investment Activities:		
Purchase of capital assets	<u>(778,709)</u>	<u>(1,865,841)</u>
Increase in cash and cash equivalents	44,718,720	49,270,790
Cash and cash equivalents, beginning of year	221,907,518	172,636,728
Cash and cash equivalents, end of year	<u>\$ 266,626,238</u>	<u>\$ 221,907,518</u>
Represented by:		
Cash (Bank overdraft)	\$ 94,141	\$ (614,674)
Investments	3,397,270	3,298,071
Due from Province of Saskatchewan General Revenue Fund	<u>263,134,827</u>	<u>219,224,121</u>
	<u><u>\$ 266,626,238</u></u>	<u><u>\$ 221,907,518</u></u>

See accompanying notes to financial statements.

Schedule I
Year Ended March 31, 2001 with comparative figures for 2000

	2001	2000
Advertising	\$ 502,012	\$ 572,314
Amortization	1,460,855	1,524,946
Appeal Panel and Board of Directors meetings	97,253	133,140
Collection fees	193,877	271,319
Computer	1,056,753	1,235,412
Office rental	1,008,549	948,691
Office supplies and duplicating	407,913	395,909
Other	381,861	341,178
Postage	305,776	329,164
Professional fees	514,523	561,139
Salaries and benefits	15,211,990	14,069,714
Telephone	353,156	405,261
Travel and sustenance	3,153,908	3,030,864
	<u>\$ 24,648,426</u>	<u>\$ 23,819,051</u>

See accompanying notes to financial statements.

Saskatchewan Crop Insurance Corporation March 31, 2001

1. Status of the corporation:

The Saskatchewan Crop Insurance Corporation (the Corporation), a provincial Crown Corporation, was established under *The Crown Corporations Act* and continued under *The Crop Insurance Act*.

The Corporation administers the federal/provincial Crop Insurance program. In addition, on behalf of the Saskatchewan Agricultural Stabilization Fund, the Corporation administers the Waterfowl Damage Compensation, New Crops Insurance, Big Game Damage Compensation, Unseeded Acreage Benefit and Canada-Saskatchewan Adjustment accounts. The financial results of the Saskatchewan Agricultural Stabilization Fund are reported separately.

The Canada-Saskatchewan Crop Insurance Agreement requires that reinsurance funds be established by the Government of Canada and the Government of Saskatchewan. These reinsurance funds receive reinsurance premiums from the Corporation and, under certain circumstances, pay reinsurance benefits to the Corporation.

As these reinsurance funds exclude crops insured under the Corporation's New Crops Program, a reinsurance program involving the Saskatchewan Agricultural Stabilization Fund and private sector reinsurers has been established during this current year. This reinsurance program provided the following coverage:

Ratio of Indemnities to Premiums	Liability Coverage Provided by	Liability (millions)
Up to 100%	The corporation	Up to \$19.6
100% to 165%	New Crops Insurance Account of the Saskatchewan Agricultural Stabilization Fund	\$19.6 to \$32.4
165% to 275%	Private Sector Reinsurance	\$32.4 to \$53.9
Over 275%	The corporation	In excess of \$53.9

The Crop Reinsurance Fund of Saskatchewan is administered by the Corporation. The operations, assets and liabilities of this reinsurance fund are shown in separate financial statements as required by *The Canada-Saskatchewan Crop Insurance Agreement*. As a crown entity, the Corporation is not subject to federal or provincial income tax, or federal goods and services tax.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital assets:

Capital assets are capitalized and amortized over their useful lives. They are recorded on the balance sheet at their net book value.

Amortization is charged against operations, and is provided on a straight line basis over the estimated useful lives of the assets with half the normal amortization taken in the year of purchase. The rates of amortization are:

Equipment	20%
Computer equipment	20%
Leasehold improvements	20%

Cash and cash equivalents:

Cash and cash equivalents consist of bank overdraft, short-term investments with a maturity of 90 days or less and the Corporation's insurance fund bank account which is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan (note 3).

Investments:

Investments are recorded at cost less any writedown required to reflect a permanent impairment in value.

Premium revenue recognition:

Crop insurance is a cost-shared program. Premium payments, for each of the last two years, are cost-shared as follows:

YEAR	Producers %	Federal Gov't %	Provincial Gov't %
2000-01			
Base (50%) coverage	10	54	36
Buy-up (80-85%) coverage	40	36	24
1999-00			
Base (50%) coverage	20	40	40
Buy-up (80-85%) coverage	30	25	25

Premiums, including the producer and federal and provincial governments' shares, are recognized as income when invoiced to producers.

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund

The Corporation's insurance bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan.

Interest is earned on these funds at the government's thirty day borrowing rate, and is based on the Corporation's average daily account balance. Interest is paid by the Province of Saskatchewan General Revenue Fund to the Corporation on a quarterly basis. During the current year, the average rate was 5.59% (2000 - 4.81%).

4. Investments:

The Corporation's investments are in term deposits maturing during the first week of April, 2001 with effective interest rates of 5% (2000: first week of April, 2000 and 5.3%, respectively).

5. Capital assets:

	Cost	Accumulated Amortization	2001 Net Book Value	2000 Net Book Value
Equipment	\$ 2,462,905	\$ 1,710,129	\$ 752,776	\$ 724,525
Leasehold improvements	518,350	197,836	320,514	424,184
Computer equipment	13,609,944	11,569,265	2,040,679	2,847,406
	<u>\$ 16,591,199</u>	<u>\$ 13,477,230</u>	<u>\$ 3,113,969</u>	<u>\$ 3,796,115</u>

6. Deferred administration revenue:

Under the terms of federal-provincial agreements, eligible administration revenue and expenses are shared equally. Government of Canada contributions are paid to the Government of the Province of Saskatchewan General Revenue Fund, which remits them to the Corporation.

To the extent this funding was not required to pay administration fund expenses of the current year it has been deferred and shown as deferred administration revenue and will be used to fund future administration expenses.

Details of administration funding received and recorded as revenue follows:

	2001	2000
Deferred administration revenue, Beginning of year	\$ 3,796,115	\$ 7,453,106
Province of Saskatchewan General Revenue Fund net operating grant received	25,600,000	19,950,000
Net operating grant recorded as Revenue	(24,228,459)	(23,221,316)
Repayment of current years' net Operating grant	—	(385,675)
Deferred administration revenue, End of year	<u>\$ 5,167,656</u>	<u>\$ 3,796,115</u>

7. Related party transactions:

Included in these financial statements are transactions with various Saskatchewan crown corporations, departments and agencies related to the Corporation by virtue of common control exercised by the Government of the Province of Saskatchewan.

In addition, one of the Corporation's directors is a partner in an organization which provided professional services to the corporation. During the current year these services amounted to \$229,424 (2000-\$226,296).

Routine operating transactions with related parties are measured at prevailing market prices under normal trade terms. These financial statements include the following balances from and transactions with related parties:

	<u>2001</u>	<u>2000</u>
Accounts payable	\$ 226,824	\$ 739,525
Net general administration	4,993,371	4,474,880

Other related party transactions are disclosed elsewhere in these financial statements.

8. Commitments and contingencies:

Commitments:

The Corporation is committed to the Saskatchewan Property Management Corporation, a related crown entity, for several leases for office space with annual payments of \$1,005,687. The leases are currently renewable on an annual basis.

Contingencies:

Pursuant to the *The Canada-Saskatchewan Crop Insurance Agreement*, in the event the agreement is terminated and no new agreement is entered into, all capital assets funded by the agreement shall be disposed of and the proceeds shall be shared equally by the Government of the Province of Saskatchewan and the Government of Canada. As of March 31, 2001, all capital assets owned by the Corporation had been funded by this agreement.

Various legal actions for additional crop insurance indemnity payments have been initiated against the Corporation. Presently, the Corporation is actively defending these cases. While the outcome of these claims cannot be determined, management is of the opinion that the result of these actions will not have a material impact on the Corporation's financial position.

9. Supplementary Unseeded Acreage Benefit:

A \$25.00 per acre payment was provided to crop insurance participants who were unable to seed, at least 95% of their normal seeded acres, on or before June 20, 1999 due to excessive moisture. A small amount of additional claims were paid in the current year. The benefit, delivered under the authority of the Canada-Saskatchewan Crop Insurance Agreement, was cost-shared as follows:

	<u>2001</u>	<u>2000</u>
Government of Saskatchewan	\$ 21,146	\$ 9,857,044
Government of Canada	<u>31,719</u>	<u>14,785,566</u>
Total benefits paid	<u>\$ 52,865</u>	<u>\$ 24,642,610</u>

10. Fair value of financial assets and financial liabilities:

The carrying amounts of the following financial assets and financial liabilities approximate fair value due to their short term nature:

- Cash
- Investments
- Due from the Province of Saskatchewan General Revenue Fund
- Accrued interest and other receivables
- Premium and other program receivables
- Due to/from the reinsurance funds
- Bank overdraft
- Accounts payable and accrued liabilities
- Estimated indemnities payable

**To the Members of the Legislative Assembly
Province of Saskatchewan**

We have audited the balance sheet of the Crop Reinsurance Fund of Saskatchewan as at March 31, 2001 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

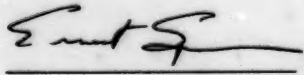
May 4, 2001

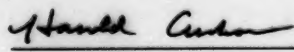
Year End March 31, 2001 with comparative figures for 2000

	2001	2000
Assets		
Due from Province of Saskatchewan General Revenue Fund (note 3)	\$ 102,959,289	\$ 88,959,768
Reinsurance premium receivable from Saskatchewan Crop Insurance Corporation	<u>1,443,547</u>	<u>2,138,365</u>
	<u>\$ 104,402,836</u>	<u>\$ 91,098,133</u>
Net assets	<u>\$ 104,402,836</u>	<u>\$ 91,098,133</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Chairperson

 Vice-Chairperson

Year Ended March 31, 2001 with comparative figures for 2000

	2001	2000
Revenue		
Premium ceded from the Saskatchewan Crop Insurance Corporation	\$ 13,304,703	\$ 14,140,460
Net assets, beginning of year	<u>91,098,133</u>	<u>76,957,673</u>
Net assets, end of year	<u>\$ 104,402,836</u>	<u>\$ 91,098,133</u>

See accompanying notes to financial statements.

Crop Reinsurance Fund of Saskatchewan March 31, 2001

1. Status of the fund:

The Canada-Saskatchewan Crop Insurance Agreement between the Government of the Province of Saskatchewan and the Government of Canada provides for the establishment of two reinsurance funds:

- a) The Crop Reinsurance Fund of Saskatchewan which is administered by the Government of the Province of Saskatchewan, and
- b) The Crop Reinsurance Fund of Canada for Saskatchewan which is administered by the Government of Canada.

2. Significant accounting policies:

Premium ceded from the Saskatchewan Crop Insurance Corporation:

Under the terms of the agreement referred to in note 1, the Saskatchewan Crop Insurance Corporation is required to pay reinsurance premiums to the reinsurance funds based on premiums received during the insurance year.

Liability for claim payments from the reinsurance funds:

Under the terms of the agreement referred to in note 1, payments will be made out of the reinsurance funds if indemnities which are required to be paid in an insurance year exceed the aggregate of:

- a) the premium receipts for the year less reinsurance premiums ceded, and
- b) the net assets of the Saskatchewan Crop Insurance Corporation's Crop Insurance Fund.

To the extent that payments are required out of the reinsurance funds, the Crop Reinsurance Fund of Saskatchewan or the Government of the Province of Saskatchewan General Revenue Fund is responsible firstly for an amount not exceeding 2½% of the total liability under policies in force in the insurance year.

The balance of indemnities to be paid will be shared 75% by Canada and 25% by Saskatchewan out of the respective reinsurance funds, excepting that Saskatchewan is not responsible for any amounts described in the preceding paragraph if its reinsurance deficit exceeds 16⅓% of the total liability under policies of insurance in force in that year.

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund:

The Crop Reinsurance Fund bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan.

Interest earned on these funds is not allocated to the Crop Reinsurance Fund.

4. Statement of cash flows:

A statement of cash flows has not been prepared as a separate statement would not provide additional, useful information.

5. Fair value of financial assets:

The carrying amounts of the following financial assets and liabilities approximate fair value due to their short term nature:

- Due from the Province of Saskatchewan General Revenue Fund
- Reinsurance premium receivable from the Saskatchewan Crop Insurance Corporation.

Ambleside

Ph: (306) 642-7235
1-888-935-0008
Fax: (306) 642-7229

Balgownie

Ph: (306) 771-4173
1-888-935-0001
Fax: (306) 771-2258

Davidson

Ph: (306) 567-4401
1-888-935-0020
Fax: (306) 567-4408

Estevan

Ph: (306) 637-4500
1-888-935-0002
Fax: (306) 637-4609

Humboldt

Ph: (306) 682-6710
1-888-935-0026
Fax: (306) 682-6776

Kindersley

Ph: (306) 463-5462
1-888-935-0021
Fax: (306) 463-5469

Leader

Ph: (306) 628-3109
1-888-935-0011
Fax: (306) 628-3107

Moose Jaw

Ph: (306) 694-3613
1-888-935-0012
Fax: (306) 694-3811

Neewawan

Ph: (306) 435-4535
1-888-935-0005
Fax: (306) 435-4529

North Battleford

Ph: (306) 446-7411
1-888-935-0028
Fax: (306) 446-7489

Preeceville

Ph: (306) 547-5650
1-888-935-0015
Fax: (306) 547-5655

Prince Albert

Ph: (306) 953-2781
1-888-935-0032
Fax: (306) 953-2285

Raymore

Ph: (306) 746-6252
1-888-935-0016
Fax: (306) 746-6260

Rosetown

Ph: (306) 882-5450
1-888-935-0019
Fax: (306) 882-5458

Saskatoon

Ph: (306) 933-5101
1-888-935-0024
Fax: (306) 933-5220

Shannon

Ph: (306) 297-5480
1-888-935-0010
Fax: (306) 297-5455

Swift Current

Ph: (306) 778-8315
1-888-935-0007
Fax: (306) 778-8332

Tisdale

Ph: (306) 878-8860
1-888-935-0025
Fax: (306) 878-8856

Turtleford

Ph: (306) 845-4501
1-888-935-0030
Fax: (306) 845-4505

Weyburn

Ph: (306) 848-2300
1-888-935-0003
Fax: (306) 848-2454

Yorkton

Ph: (306) 786-1375
1-888-935-0013
Fax: (306) 786-1676

CUSTOMER SERVICE**OFFICE HOURS:**

8:00 a.m. to 5:00 p.m.

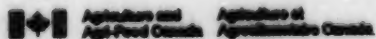
(closed noon hour)

Closed weekends and
statutory holidays.

WEBSITE:

www.agr.gov.sk.ca/scic

2000-2001 Annual Report Supplementary Information



**Saskatchewan
Crop Insurance
Corporation**

Listed are payees who received \$20,000 or more for the provision of goods and services, including office supplies, communications, contracts and equipment.

VENDOR	AMOUNT	VENDOR	AMOUNT
Agricultural Credit Corporation of Saskatchewan	\$181,009	Milk, Wilcox, Zuk Law Office	32,761
Agrometeorological Centre of Excellence	21,520	National Leasing Group	65,515
Mr. H. Anderson	34,630	Northside Leisure Products	43,200
Canada Post Corporation	363,662	Ochs Motor Products Ltd.	43,561
CompuSmart	190,432	Olive Waller Zinkhan & Waller	229,424
Cubbon Advertising	22,493	Optimum Solutions	80,191
Danka	24,416	Paperworks	60,872
Dot. Com Communications	29,069	Pitney Bowes Leasing	32,639
DR Auto Extras	73,030	Pitney Bowes Postage-by-Phone	30,000
EDS Innovations Inc.	42,806	Prairie Geomatics	35,457
Elias Manufacturing	23,625	Saskatchewan Agriculture and Food	170,946
GE Capital IT Solutions Inc.	43,769	Saskatchewan Property Management Corporation	1,462,063
Grand & Toy	70,070	Sask Tel, CMR	593,431
Human Resources Services Ltd.	60,138	Saskatchewan Workers' Compensation Board	119,108
IBM Canada Ltd.	725,228	Saskatoon Inn	21,850
Information Services Corporation of Saskatchewan	36,069	Software Spectrum Canada, Ltd.	154,894
Innova Envelope Inc.	42,879	Tillinghast-Towers Perrin	40,380
KPMG LLP	143,238	Travelodge Hotel - Regina	45,232
The Marketing Den	508,553	University of Saskatchewan	30,411
		West Harvest Inn - Regina	23,840

Listed are individuals (excluding unionized employees) who received payment for salaries, wages, honorariums, etc. which totalled \$2,500 or more.

PAYEE	AMOUNT	PAYEE	AMOUNT
Ames, Judy	\$52,568	Dingle, Terry	79,542
Armbruster, Elizabeth	46,124	Emond, Denis	79,120
Audette-Sand, Gail	52,568	Erickson, Kelly	52,568
Ballagh, Norm	7,208	Hanson, Lorraine	5,640
Bastness, Harry	12,808	Hardie, Shelley	38,169
Bellamy, Donna	64,168	Hill, George	64,168
Benjamin, Stan	84,608	Hittel, Ronald	64,168
Biletski, George	64,168	Hogg, Betty	52,568
Bowyer, F. Morley	52,568	Hughes, Earl	63,782
Brown, Ann	52,568	Krahenbil, Adrienne	31,973
Bulych, Jim	19,700	Krahenbil, Sherry	38,169
Buraett, John	52,568	Lemond, Sharon	40,460
Butchko, Lori	26,366	Liebrecht, Collin	52,568
Charabin, Walter	48,512	Longworth, Wayne	52,568
Classen, Ethel	52,334	Lowndes, Glen	9,610
Cleveland, Beverley	102,983	Matthies, Doug	97,162
Coldwell, Maria	52,568	McCuaig, David	52,809
Cooper, Mike	64,475	McGrath, Arlie	2,868
Cudmore, William	84,608	Moyse, Lee	52,568

Listed are individuals (excluding unionized employees) who received payment for salaries, wages, honorariums, etc. which totalled \$2,500 or more.

PAYEE	AMOUNT	PAYEE	AMOUNT
Myhr, Deborah	52,568	Stefankiw, Valerie	49,128
Napady, Wendy	39,966	Stirling, Janice	8,060
Nussbaumer, George	81,519	Svenson, Kenneth	64,168
Nyeste, Marjorie	52,568	Swan, Cameron	75,261
Potts, Glen	45,144	Taylor, Gordon	13,408
Price, Jean	52,568	Tyacke, Shirley	52,154
Quintal, Ernest	52,568	Visser-Niven, Gloria	30,626
Salamon, Joanne	31,970	Warner, Darby	52,568
Sawyer, Louise	65,310	Warnes, Lorne	84,608
Schmeiser, Joe	52,568	Wass, Chris	4,200
Schmelinsky, Cindy	32,131	Wilgosh, Bernice	52,568
Sinclair, Cameron	52,568	Winterhalt, Dianne	41,363
Skinner, Reginald	4,200	Wouters, Neil	44,015
Stanley, Larry	57,077	Yuzik, Lyle	52,568
		Payees under \$2,500	7,951